



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Bond file

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May 13, 1988

*Bond replaced
original retro'd
to USA Corp
6/30/93*

TO: Board of Oil, Gas and Mining

THRU: Ken May, Associate Director, Mining *Ken May*

THRU: Lowell Braxton, Administrator *LB*

FROM: Frank Filas, Reclamation Engineer *FF*

RE: Request for Board Concurrence on Form and Amount of Surety,
United States Gypsum Company, Jumbo-Jensen Quarry, M/041/008,
Sevier County, Utah

Attached is an executive summary and reclamation estimate for the Jumbo-Jensen Quarry which is operated by United States Gypsum. Also attached is a collateral bonding and indemnity agreement with an irrevocable letter of credit for \$216,700. The Board's concurrence on the form and amount of the surety is requested.

Please note that there are two originals of the collateral bonding agreement which require signing and notarization.

re
Attachments
0783Q-98

50% COTTON FIBER

EXECUTIVE SUMMARY - NEW PERMIT

Mine Name: Jumbo - Jensen Quarry I. D. No.: M/041/008
Operator: United States Gypsum Quarry County: Sevier
P. O. Box 120 New/Existing: existing
Sigurd, Ut 84657 Mineral Ownership: U. S. Gypsum
Telephone: (801) 896-4484 Surface Ownership: U. S. Gypsum
Contact Person: Mr. James R. Jennings Lease No.(s): N/A
Life of Mine: 20 - 30 years Permit Term: Bond Period - 5 years
Legal Description: T22S, R1W, various sections
Mineral(s) to be Mined: gypsum
Mining Methods: Gypsum outcrops are quarried
Acres to be Disturbed: 111 - quarry area, 44 - roads
Present Land Use: mining and limited grazing
Postmining Land Use: Limited wildlife grazing
Variances from Reclamation Standards (Rule M-10) Granted: none

Soils and Geology:

Soil Description: Gypsum outcrops consisting of coarse, unweathered gypsum and clay.
pH: 8.0
Special Handling Problems: The steep terrain will make topsoil salvage difficult.
Geology Description: Vertically dripping beds of gypsum occur along the ridge tops.

Hydrology:

Ground Water Description: The ground water is below the mining zone.
Surface Water Description: Quarry areas will be self draining. The area has very little precipitation.
Water Monitoring Plan: N/A

Ecology:

Vegetation Type(s); Dominant Species: Big sagebrush, shadscale, rabbitbrush and indian rice grass.
Percent Surrounding Vegetative Cover: 5 to 10%
Wildlife Concerns: Continued mining will have little impact on wildlife
Surface Facilities: A gypsum board plant is located in Sigurd. The plant is off site and is not included in the plan.
Mining and Reclamation Plan Summary: see Attached

Surety:

Amount: \$ 216,700
Form: Collateral
Renewable Term: Annual, automatically renewable for 5 years

0783Q-99

MINE AND RECLAMATION PLAN SUMMARY
UNITED STATES GYPSUM CORPORATION
M/041/008, JUMBO-JENSEN QUARRY

During Operations

Haul roads will be constructed to the deposit, and the gypsum will be quarried in 20-foot benches. Gypsum rock will be loaded on trucks and hauled seven miles to the plant for processing. Available topsoil and overburden will be stockpiled for future reclamation.

Following Operations

Reclamation of mined-out areas will be performed at a rate of approximately ten acres per year for the next ten years. Reclamation of the quarries is to consist of regrading of the waste material into the quarry area, placement of soil material, ripping with a dozer, and reseeding with native vegetative species. Haul roads which do not have a postmining use will be ripped and seeded, and water drains will be installed as necessary.

<u>ITEM</u>	<u>QUANTITY</u>	<u>UNIT COST</u>	<u>COST/ACRE</u>
<u>Roads</u>			
1. Spread Stockpiled Soil and Rip, D-9H W/Ripper	2 hrs	165.00/hr	330
2. Seed and Fertilize			
Farm Tractor W/Disk	2 hrs	50.00/hr	100
Laborer	2 hrs	11.00/hr	22
Seed	20 lbs	4.22/lb	84
Fertilizer	200 lbs	.25/lb	38
3. Reseed if Necessary Assume 20% of Area to be Reseeded			<u>49</u>
	Subtotal		\$ 623
	Ten Percent Contingency		<u>62</u>
	Total (1988 Dollars)		<u>\$ 685</u>
Total in 1993 Dollars (2.3% inflation for 5 years)			\$ 767

Total Reclamation Cost

Mining Areas: 111.4 acres x \$1,641/acre = \$182,800

Roads: 44.2 acres x \$ 767/acre = \$ 33,900

Total in 1993 Dollars \$216,700

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